



March 15, 2023

Clerks' Office
California Air Resources Board
1001 I Street
Sacramento, CA 95814

SUBMITTED ELECTRONICALLY TO: www.arb.ca.gov/our-work/programs/low-carbon-fuel-standard/lcfs-meetings-and-workshops

Re: February 22, 2023, Public Workshop on Potential Changes to the Low Carbon Fuel Standard ("LCFS")

To Ms. Laskowski and the Staff of the California Air Resources Board ("CARB") Transportation Fuels Branch,

Rivian Automotive, LLC, ("Rivian") greatly valued the February 22, 2023, workshop on potential changes to the LCFS and appreciates this opportunity to submit feedback on the discussion. This letter builds on previous comments submitted by Rivian in August 2022 in which we shared additional perspectives on strengthening the LCFS and responded to a prior workshop's discussion topics.

Our concise feedback below responds to several proposals and concepts raised in the latest workshop. To the extent possible, CARB should prioritize transparency and simplicity in implementing a potential acceleration mechanism. CARB should also clearly define eligible locations for continued light-duty ("LD") fast charging infrastructure ("FCI") credits according to well established and publicly accessible designations of low-income and disadvantaged communities.

Keep the World Adventurous Forever

Founded in 2009, Rivian is an independent company headquartered in California where we maintain office locations in Irvine and Palo Alto, as well as customer-facing service centers in several cities. Rivian's mission is to Keep the World Adventurous Forever and our focus is the design, development, manufacture, and distribution of all-electric adventure vehicles, specifically pickups, sport utility vehicles, and commercial vans. Key to the success of our mission, these vehicles will displace some of the most polluting vehicles on the road today.

Rivian brought the first electric truck to market last year when we launched the R1T pickup from our manufacturing facility in Normal, Illinois, followed shortly thereafter by the R1S SUV and a commercial fleet electric delivery van for Amazon. All our vehicles are considered medium duty for regulatory purposes and satisfy ZEV requirements under both the Advanced Clean Cars II and Advanced Clean Trucks rules. The R1T and R1S provide all-electric options in segments where added utility is a necessity. The R1T has an EPA-certified 328-mile range and 11,000lbs of towing capacity, while the R1S is a seven-passenger full-sized SUV with 321-mile range. Rivian is also building a network of DC fast chargers across the country, including at several locations across California.

Feedback on Workshop Discussion

California's LCFS is a proven emissions reduction tool and a powerful enabler of transportation electrification. To date, it has served a key role in the state's portfolio of complementary climate policies. It can and must continue to do so if the state wishes to achieve carbon neutrality. To that end, Rivian welcomes the discussions facilitated by staff through the ongoing workshop series. We appreciated the conversations at the February 22, 2023, workshop regarding a potential "step-down" in CI targets, the design of an acceleration mechanism, and other changes. We support these concepts and are pleased to provide feedback on key design and implementation questions.

Rivian encourages CARB to implement a one-time step-down in the program's CI target in 2024. We anticipate that such an adjustment would force a draw on the credit bank that could help rebalance the program. Under business-as-usual, the LCFS requires a 12.5 percent reduction in CI in 2024 versus baseline. We recommend that CARB model the impacts of low, medium, and high alternatives for a one-time increase in stringency to identify the appropriate adjustment. For example, CARB could assess the impact of requiring a 16.25 percent, 17.5 percent, or 18.75 percent reduction in 2024.

Historical overcompliance suggests a need for an acceleration mechanism. To avoid future runups in the credit bank that could lead to dramatic declines in credit prices, we find the idea of an acceleration mechanism promising. Rivian believes that any acceleration mechanism should operate as simply, transparently, and accessibly as possible. Regulated and opt-in entities should be able to plan compliance and market participation in light of the mechanism's governing provisions. In our view, the most appropriate threshold condition for triggering the mechanism would be average credit price. Credit prices are the market mover. They are also simpler to monitor and more widely understood than alternative measures upstream of prices, such as the credit-to-deficit ratio. Rivian recommends identifying a critical credit price threshold. If average prices remain at or below that threshold for a significant period—for example, three or six months—the acceleration mechanism would kick in. Key considerations in identifying the threshold include:

- The price at which key clean fuels market investments and desirable policy outcomes become unviable. For instance, recent credit prices have approached the breakeven point for REC-matching, which help achieve deeper emissions reductions in EV charging.
- Sustaining a credit price that does not merely support minimum viability for certain investments and outcomes but rather strongly incentivizes them.

We recommend advancing the existing CI reduction schedule by one year each time the mechanism is triggered. This would be a simple, transparent action with a known outcome that regulated entities and market participants can model and plan for. It would also minimize the administrative burden for CARB.

Rivian welcomes the qualified extension of LD FCI crediting but we urge clarity in how CARB will define eligible locations. We strongly recommend relying upon clear, comprehensive, and publicly accessible designations of low-income and disadvantaged communities that capture rural areas as well as urban neighborhoods. Two possibilities include the California Climate Investments Priority Populations map or


the federal government's Climate and Economic Justice Screening Tool.¹ Communities highlighted by these tools are likely to be underserved by market investments in FCI, at least in the near term and especially in far northern California. LD FCI projects in these locations merit continued regulatory support through the FCI pathway.

Conclusion

Rivian applauds CARB's efforts to scope potential changes to the LCFS regulation. Thank you to staff for organizing a valuable series of workshops. Rivian values this opportunity to provide feedback and is excited about the prospect of strengthening the LCFS. The LCFS is a powerful policy that, with the right revisions, can contribute even more to the state's efforts to address climate change and electrify transportation.

Please contact me with any questions about this feedback. Rivian looks forward to continued discussion and formal consideration of amendments to the regulation this year.

Sincerely,



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¹ See, www.webmaps.arb.ca.gov/PriorityPopulations/ and www.screeningtool.geoplatform.gov/en/.